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FISCAL IMPACT STATEMENT

LS 6220

BILL NUMBER: SB 43

NOTE PREPARED: Nov 17, 2005

BILL AMENDED:

SUBJECT: Free State Fair Admission for Military Personnel.

FIRST AUTHOR: Sen. Drozda

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires the State Fair Commission to adopt rules providing for free admission to the State Fair for veterans and active military personnel and for their dependents.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* The bill would cost the state approximately \$922,000 in revenue loss. Admission proceeds are deposited into a State Fair non-reverting account and are subsequently used for the following year's State Fair. The bill requires the State Fair Commission to adopt rules pertaining to free admission for veterans, active military, and their dependents.

Background Information on State Fair Free Admission for Veterans and Active Military:

Adoption of Rules: This bill would allow veterans and active duty military personnel and their dependents admittance to the State Fair for free. The bill requires the State Fair Commission to adopt rules providing for free admission. The State Fair Commission should be able to adopt rules within its existing level of resources.

Cost Estimate for Free Admission: The calculations within this fiscal note are based on assumptions made pertaining to probable rules which would be adopted by the State Fair Commission. Actual fiscal impact would be different if any or all of the rules adopted are different than assumptions used.

This bill would apply to approximately 591,486 veterans and active military personnel. This includes 1,010 active military in Indiana as of August 2005, and 590,476 veterans counted during the 2000 Census. It should be noted that Census data is from 2000 and actual veteran numbers may be higher or lower as a result. It should also be noted that for the purposes of this bill an assumption is made that active military personnel includes actual military and does not include persons enlisted in the reserves or National Guard.

Three sub-populations were considered out of the larger population identified as eligible: Active Military, veterans 55 and over, and veterans 54 and under. It was assumed that adopted rules would allow free admission to children up to the age of 18. Furthermore, that persons aged 55 and over would not have children aged 18 and under. Thus, the veterans group was split in two: veterans 55 and over (without eligible children) (318,857), and veterans 54 and under (with eligible children) (271,618). It was assumed that rules adopted would provide for spouses to be admitted to the fair for free.

It was also assumed that statistics identified by the 2000 Census which are applicable to the larger Indiana population are also applicable to the veterans population. Data was analyzed to incorporate the following statistics evident from the 2000 Census: 68.6% of households are family households (a group of two or more people who reside together and who are related by birth, marriage, or adoption); 8.4% of the population are aged 5 and under; and the average family size in Indiana is 3.05.

Final numbers for the eligible population were multiplied by 14% (the percent of the total state population (duplicated) which attended the fair in 2004) to arrive at the number which would likely attend the fair. The State Fair Commission reports that 25% of tickets used are discount tickets. Seventy-five percent of persons attending were then multiplied by \$6 (regular fair admission) and the remaining 25% were multiplied by \$5 (discount fair admission) to arrive at a total cost to the state of \$922,000.

Proceeds from the fair are deposited into a non-reverting account. Funds are used to support the fair during the following year. The 2005 State Fair revenue budget was \$7 M (estimated), while the expense budget was \$6.7 M (estimated).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Fair Commission.

Local Agencies Affected:

Information Sources: Mark Hindsley, State Fair Commission, 927-7517; 2000 U.S. Census Data; U.S. Department of Defense, Defense Manpower Center; <http://www.in.gov/statefair/fair/tickets/index.html>; Indiana State Fair Advisory Committee September 2005 Update.

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